

10 Important Things You Should Know



NC ABLE

National ABLE Alliance Member

1 - What is a NC ABLE account?

NC ABLE accounts are tax-advantaged saving and investment accounts that allow eligible individuals with disabilities the opportunity to save money without jeopardizing eligibility for means-tested programs and supports.

2 - How do NC ABLE accounts help people with disabilities and their parents/guardians?

Individuals with disabilities sometimes must rely on federal benefits — such as Supplemental Security Income (SSI) and Medicaid — for their day-to-day living expenses, support services and healthcare costs. These benefits programs are “means-tested.” In other words, to be eligible for these benefits, savings and assets must not exceed specified limits. Most of the programs limit savings and “countable resources” to about \$2,000. This significantly constrains a person’s ability to save for any unforeseen emergencies or for planned, larger expenses — even if the savings are later spent to meet disability-related expenses. Now, in a NC ABLE account, up to and including \$100,000 saved is not considered part of “countable resources” when determining eligibility for most federal means-tested programs.

3 - Who is eligible to open a NC ABLE account?

Eligible individuals have a “medically determinable physical or mental impairment,” within the definition of the Social Security Act. And, the onset of the individual’s disability must have occurred prior to the individual’s 26th birthday. Parents of eligible children, and guardians of eligible persons, may open an account on behalf of their children or an eligible person. Individuals can self-certify that they qualify to open a NC ABLE account.

4 - How and when can I open an account for myself or a loved one?

Enrollment opens for NC ABLE accounts on January 26, 2017. To enroll, eligible individuals, or their parent/guardian, should visit: [NC.SaveWithABLE.com](https://savewithable.com/nc/home.html) URL is <https://savewithable.com/nc/home.html> The simple, online process takes just a few minutes. No special medical forms are required. NC ABLE accounts are not opened at banks or with financial planners. For assistance with the enrollment process, call the NC ABLE Program Customer Service Center toll-free at 888- 609-8915, Monday - Friday, 8:00 am - 5:00 pm ET. Paper enrollment will be available beginning in April 2017. NC ABLE accounts are available NATIONWIDE to all eligible individuals, regardless of where they live. January 2017

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5 – What are the costs associated with a NC ABLE Account?

Participants in NC ABLE accounts will be assessed a flat, \$40 annual Account Maintenance fee, which covers financial recordkeeping and communications services, online account access, online quarterly statements, and toll-free customer service call center assistance. A \$5 annual Administration Fee helps to cover some of the operating expenses for the NC ABLE program, including legal, compliance and community outreach activities. These costs, a total of \$45 per year for each NC ABLE account, are the same for all account holders, regardless of the balance on the NC ABLE account. Underlying fund fees apply for mutual fund investments within NC ABLE accounts.

6 - What are the rules about saving money (“contributions”) in a NC ABLE account?

The greatest advantage of the ABLE account is that it offers the opportunity for individuals with disabilities to accumulate savings for qualified disability expenses, without jeopardizing their eligibility for the federal benefits, like Medicaid services, that many rely on for basic needs. Savings in ABLE accounts are not considered “countable resources” for SSI and Medicaid eligibility. With an ABLE account balance up to and including \$100,000, individuals will continue to maintain eligibility for SSI and most federal means-tested programs. And, ABLE account owners may save more than \$100,000 and still maintain eligibility for Medicaid. Keep in mind that beneficiaries must continue to meet income and other specific requirements of each program. Annual contributions to an ABLE account may not exceed the IRS’s annual gift tax exclusion, which is currently \$14,000 per year.

7 - How many ABLE accounts are permitted?

The NC ABLE Act limits the opportunity to one ABLE account per eligible person.

8 - What about the rules for spending the money (“distributions”) from a NC ABLE account?

NC ABLE account owners can spend their money on qualified disability expenses (QDEs), which are expenses related to living with a disability. When money is spent from an ABLE account, it’s not considered “income” for a “means-tested” state benefits program that limits eligibility based on income. In other words, QDEs don’t count as “income” for those individuals receiving SSI or Medicaid. Keep in mind that QDEs for housing expenses have special rules.

9 - What are “Qualified Disability Expenses” (QDEs)?

NC ABLE accounts are NOT for educational expenses only. QDEs are any expenses related to the eligible individual’s blindness or disability. Additional rules apply for qualified distributions related to housing needs. The ABLE Act specifies that qualified expenses include the following: Education Housing Transportation Employment training and support services Assistive technology services Personal support services Legal fees Funeral and burial expenses Other expenses, which are approved by the Secretary under regulations

10 - Where can I get more information on NC ABLE?

Visit www.nctreasurer.com/able to sign up for the

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NC ABLE Program email list. Follow, Like and SHARE @NCABLEProgram on Facebook, Twitter and Instagram. For more information on ABLE accounts, visit the National ABLE Resource Center at www.ablenrc.org.

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